

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 EA-09 ISO-00 CIAE-00 DODE-00 INR-07
NSAE-00 PA-02 PRS-01 SP-02 ACDA-10 L-03 NSC-05
EB-07 NRC-07 OES-07 FEAE-00 ERDA-07 NSCE-00
SSO-00 USIE-00 INRE-00 PM-04 SS-15 EURE-00 /112 W
-----041346Z 126243 /45

O R 041243Z MAY 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 3437
INFO AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY TOKYO
AMEMBASSY OTTAWA
AMEMBASSY ROME
USMISSION IAEA VIENNA
USMISSION EC BRUSSELS

UNCLAS SECTION 01 OF 02 LONDON 07290

E.O. 11652: N/A
TAGS: PARM, TECH, ENRG, UK
SUBJECT: FINANCIAL TIMES ARTICLES ON US NUCLEAR POLICY

1. MAY 4 FINANCIAL TIMES RAN TWO FRONT PAGE STORIES
ON US NUCLEAR POLICY AND THE SUMMIT. MAJOR EXCERPTS
FOLLOW.
2. BEGIN QUOTE: CALLAGHAN TO TACKLE US ON NUCLEAR
PROCESS PLAN
BY PHILIP RAWSTORNE
MR. JAMES CALLAGHAN IS TO TAKE UP THE ARGUMENT
AGAINST US PROPOSALS FOR RESTRICTING THE REPROCESSING OF
NUCLEARFUEL AT THE SUMMIT MEETING IN LONDON THIS
WEEK-END.
THE US PLAN EFFECTIVELY WOULD PUT AN END TO ANY
CHANCE OF BRITAIN EXPANDING THE NUCLEAR FUEL REPROCES-
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SING FACILITY AT WINDSCALE. IT WOULD END HOPES OF LARGE
REPROCESSING CONTRACTS FROM JAPAN AND OTHER USERS OF
US ENRICHED URANIUM.
THE PRIME MINISTER MADE HIS OPPOSITION TO THE
CARTER PLAN CLEAR IN THE COMMONS WHEN HE CONFIRMED THAT
THE NUCLEAR ISSUE, ALREADY A SOURCE OF SERIOUS DIS-
AGREEMENT BETWEEN THE US AND ITS MAJOR ALLIES, WOULD

"COME TO THE SURFACE" AT THE CONFERENCE.

PRESIDENT CARTER IS EXPECTED TO PRESS FOR TIGHT CONTROLS ON THE RE-EXPORT OF ITS ENRICHED URANIUM FUEL. THE AMERICAN PROPOSALS HAVE ENCOUNTERED STRONG OBJECTIONS FROM BRITAIN, FRANCE, WEST GERMANY AND JAPAN.

THE US IS TRYING TO USE ITS NEAR-MONOPOLY OF ENRICHED URANIUM--THE BASIC FUEL FOR NUCLEAR POWER STATIONS--TO PREVENT THE POSSIBILITY OF FURTHER NUCLEAR PROLIFERATION. IT REGARDS THE REPROCESSING OF SPENT FUEL BY NATIONS SUCH AS BRITAIN AS TOO DANGEROUS TO BE ALLOWED UNDER THE REGIME OF INTERNATIONAL NUCLEAR SAFEGUARDS IT IS TRYING TO SET UP. PLUTONIUM, A BY-PRODUCT OF REPROCESSING, IS A FISSILE MATERIAL AND CAN BE FABRICATED INTO NUCLEAR EXPLOSIVES--SO PRESENTING A RISK OF PROLIFERATING NUCLEAR WEAPONS.

MR. CALLAGHAN TOLD MPS YESTERDAY: "WE NEED A CAREFUL PERIOD OF DISCUSSION WITH THE UNITED STATES ABOUT THE WHOLE QUESTION (OF NUCLEAR POLICY) AND THE PROPOSALS THEY HAVE PUT FORWARD." END QUOTE.

3. BEGIN QUOTE: THE UK ALTERNATIVE

BRITAIN IS PREPARING ALTERNATIVE ANTI-PROLIFERATION PROPOSALS, IN FACE OF THE US CALL FOR A MORATORIUM ON THE REPROCESSING OF SPENT NUCLEAR FUEL FOR PRESENTATION TO PRESIDENT CARTER AT THE ECONOMIC SUMMIT MEETING IN LONDON THIS WEEK-END, DAVID FISHLOCK, SCIENCE EDITOR, WRITES FROM SALZBURG.

THE PROPOSALS BEING WORKED ON INCLUDE CLOSER INTERNATIONAL INSPECTION OF BRITAIN'S NUCLEAR POWER
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PROGRAMME, AND THE POSSIBILITY OF ACCEPTING THE US-
DESIGNED LIGHT WATER REACTOR.

THE KEY BRITISH PROPOSAL WILL PROBABLY BE THAT
BRITAIN'S CIVIL PLUTONIUM STOCKPILE, COMPRISING SEVERAL
TONNES OF PLUTONIUM--A BY-PRODUCT OF SPENT FUEL REPRO-
CESSING--AT WINDSCALE, SHOULD BE PLACED UNDER
INTERNATIONAL MANAGEMENT AND CONTROL.

IN ADDITION, BRITAIN IS WILLING TO ACCEPT "FULL-
SCOPE" UN SAFEGUARDS ON THE ENTIRE NUCLEAR FUEL CYCLE
AND MORE SEVERE RESTRICTIONS ON THE EXPORTING OF
NUCLEAR TECHNOLOGY AND KNOW-HOW.

FULL-SCOPE SAFEGUARDS IMPLY THAT THE INTERNATIONAL
ATOMIC ENERGY AGENCY WOULD BE AUTHORIZED TO INSPECT
EVERY ASPECT OF A NATION'S CIVIL NUCLEAR POWER
PROGRAMME--PAST, PRESENT AND FUTURE.

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THIS IS PARTICULARLY SIGNIFICANT FOR BRITAIN, WHICH
REPROCESSES BOTH CIVIL AND MILITARY PLUTONIUM IN THE
SAME PLANT AT WINDSCALE, WHEREAS THE US IS PROPOSING TO
REACTIVATE AN OLD REPROCESSING FACILITY AT HANFORD TO
TREAT ITS MILITARY PLUTONIUM.

THE MOST CONTROVERSIAL PROPOSAL BEING CANVASSED
AMONG BRITISH OFFICIALS IS THAT BRITAIN SHOULD ACCEPT
THE US-DESIGNED LIGHT WATER REACTOR--THE REACTOR
ENDORSED UNRESERVEDLY BY PRESIDENT CARTER IN HIS RECENT
ENERGY POLICY STATEMENT--FOR CONSTRUCTION IN THE UK
PROVIDED THE US RELAXED ITS PROPOSALS TO RESTRICT RE-
PROCESSING OF SPENT NUCLEAR FUEL.

THE BRITISH GOVERNMENT HAS NO DOUBT THAT THE US
COULD SCUTTLE THE REPROCESSING CONTRACT, WORTH SEVERAL
HUNDRED MILLION POUNDS, UNDER NEGOTIATION BETWEEN
BRITISH NUCLEAR FUELS AND THE JAPANESE ELECTRICITY

INDUSTRY FOR THE TREATMENT OF JAPAN'S SPENT NUCLEAR FUEL
DURING THE 1980S. END QUOTE.

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